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How Cigar-Tobacco Production is Being Controlled in Connecticut

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in the

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Tobacco is named in the Agricultural Adjustment Act as one of the basic agricultural commodities. Those in charge of the administration of that act as it applies to tobacco began their work by an investigation of the situation. They soon arrived at the conclusion that the situation was much more critical with respect to cigar tobacco than in the case of the other types.

Here was a farm crop with stocks and supplies so large that, even if none were grown this year, no shortage would be felt. Much of the 1932 crop and considerable of the 1931 crop remained unsold on the farms. Prices received by growers who had found buyers were, on the average, little more than half of the fair exchange value. Fair exchange value is the term describing the price which will give a purchasing power equal to that of the pre-war period.

Furthermore, there appeared to be no prospect for an early improvement in this situation. Cigar consumption had been falling off for twelve years and seemed likely to remain at a low level. Cigar-tobacco production had decreased in some districts, but the prospective 1933 crop exceeded probable consumption.

The administration held conferences with state economists, growers' representatives, and manufacturers. These conferences served to bring out additional facts concerning the situation, together with suggestions as to plans that could be developed under the Agricultural Adjustment Act to bring about improvement.

Following these conferences a program was adopted for bringing about a reduction in the acreage of cigar-filler and binder tobacco. Beginning July 17, growers were offered the opportunity of signing contracts for carrying out this program. These contracts provide for a 50 percent reduction in tobacco acreage in 1933 together with similar reductions in 1934 and 1935 if the situation justifies such continuation. In return for carrying out these acreage reductions growers receive payments on each acre of the reduction required.

The program is administered in Connecticut through a committee of tobacco growers, assisted by the state agricultural extension organization. The county agents organized the work in their respective counties with committees of tobacco growers in each town to obtain signatures to acreage reduction contracts.

Meetings of tobacco growers were held throughout the tobacco district for the purpose of explaining the program and the provisions of the contract. Local committeemen were stationed at central points throughout the district. Growers who did not sign contracts at one of the meetings were able to do so by going to these local offices.

The program was presented to tobacco growers as a business proposition and no pressure was brought upon anyone to sign a contract. Each grower was advised to figure out for himself whether it would pay him to sign a contract or not. The sign-up campaign closed on August 26. About 55 percent of the tobacco growers of Connecticut have signed contracts. These growers own about 60 percent of the land suitable for growing tobacco and equipped with tobacco-curing sheds.

It is generally agreed in Connecticut that, if it had been possible to begin the campaign earlier in the season, many more growers would have signed contracts. The growing season was well advanced and many growers hesitated to destroy tobacco which was nearing maturity and upon which they had expended from 50 to 80 dollars per acre for fertilizer and labor. The educational campaign was hampered by lack of time. Many growers over-estimated the effect the operation of this plan would have on tobacco prices.

There are already some indications of improvement from the very low tobacco prices of last year. Large supplies of old tobacco are on hand, however, and it is not generally expected that Connecticut growers will receive very profitable prices for this year's crop. Those farmers who have signed contracts with the Secretary of Agriculture are assured of a good income from half of their base tobacco acreage. They will receive payments which, for 1933, will average about 300 dollars per farm. For many farmers these payments will be the major source of cash income.

These rugged individualists of New England are watching very closely this experiment in group action. They want to see it succeed and the majority of them have indicated their faith in the program.